

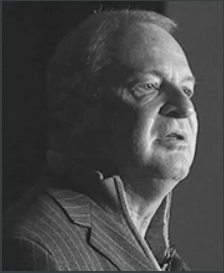


Corporate

Global Marketing and Communications

Corporate Social Responsibility & Sustainability Report 2017





“At Arrow, we guide today’s innovators forward to a better tomorrow. We started more than 80 years ago as a supplier to the emerging radio industry in Lower Manhattan. In the 21st century, Arrow is an integrated technology solutions provider in more than 90 countries.

We apply the same values to our role as a corporate citizen. We partner with innovators and help them navigate a complex world, developing practical solutions that make people’s lives more fulfilling and productive.

In doing so, we do more than extend technology’s influence. We become part of the humanitarian solution.

Our CSR and Sustainability programs show what’s possible when together we think Five Years Out.”

Mike Long

Chairman, CEO and President
Arrow Electronics, Inc.

About Arrow

Arrow Electronics is a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions. Arrow serves as a supply channel partner for more than 125,000 original equipment manufacturers, contract manufacturers and commercial customers through a global network of more than 465 locations serving over 90 countries.

Learn more at fiveyearsout.com.

About This Report

This report provides an overview of Arrow’s social, environmental and economic impacts, highlighting initiatives in fiscal year 2017 — January 1 through December 31. This is the third consecutive year we have published the Arrow Corporate Social Responsibility & Sustainability report. Our report is informed by the guidelines of several voluntary international corporate reporting organizations, including the Global Reporting Initiative.

In 2017, an independent third party conducted Arrow’s first materiality assessment. They interviewed key internal and external stakeholders to identify material issues for Arrow, including sustainable procurement, fair labor practices and human rights, ethical business practices, as well as economic and environmental impact. Recognizing the role we play in the communities where we live and work, we look to measure our baseline performance as well as set goals for future performance.



ABOUT THE COVER: Paralympian Oksana Masters is one of five athletes known as the “Arrow Quintum.” They demonstrated elite outdoor sports skills and mentored girls with disabilities in a new Arrow Corporate Social Responsibility (CSR) program.

5 THE ARROW SAM CAR
advances technology and mobility for people with physical disabilities.

7 THE DIGITRUCK
bridges the digital divide in Africa.

13 THE ARROW FIVE YEARS OUT ART CHALLENGE
guides innovators to a better tomorrow.

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inspires five Paralympians to test their limits and mentor the next generation.



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Are You Five Years Out? Back cover

“I want to be able to return the favor and make sure the generation after me has the same chance I did.” — Arrow Quintum athlete, Stephanie Jallen



CSR Awards

FORTUNE *Fortune* — Arrow Electronics named to the “World’s Most Admired Company” list for the 17th year, including #1 in CSR

PR Daily *PR Daily CSR Awards* — Best Education Program and Best CSR Report

ASPC *The American Society of Professional Communicators* — Best CSR Report Photography and Design



Hong Kong Council of Social Services — Arrow Asia Pac Ltd. named 5 Years Plus Caring Company



Colorado Department of Public Health and Environment — Environmental Leadership Program “Gold Leader”

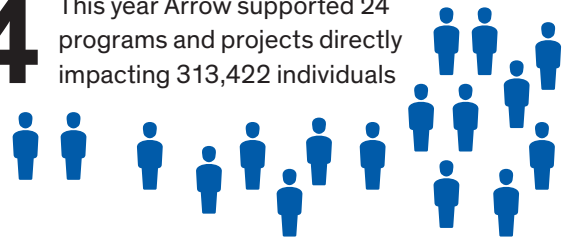


8.3 MILLION PEOPLE

Arrow CSR partner organizations supported over 8.3 million people in 62 countries on 6 continents this year

24

This year Arrow supported 24 programs and projects directly impacting 313,422 individuals



This Year Arrow Supported

30 events, with total attendance of 677,281



7,432



Arrow’s supported programs impacted 7,432 schools and 243,032 students; 54% of the organizations we supported have a focus on education



1,815

This year Arrow supported programs offering 1,815 various scholarships

Of our monetary donations, 27% included an in-kind contribution and another 57% engaged employees



8,100

Provided 8,100 HIV screenings in Ugandan communities; 43% of the organizations we supported have a focus on health and human services



600,000

refurbished computers donated to schools and nonprofits since 2003 with Close the Gap

6,284,366

 used IT devices processed in 2017

49,156 tons

E-waste diverted from landfills:



5,111

volunteer hours donated by Arrow employees

TEN THOUSAND

students gained access to an e-textiles curriculum through the Mouse Sewable Tech program



NORTH AMERICA

- » **Brooklyn, NY**
Mouse e-textile program national launch at St. Joseph's Academy
- » **Washington, D.C.**
Arrow Innovation Award with National Inventors Hall of Fame
- » **Denver, CO**
Arrow CSR HQ
- » **Las Vegas, NV**
SAM car sets 190 mph speed record at Aviation Nation to mark 70th anniversary of U.S. Air Force

EUROPE

- » **Trondheim, Norway**
Formula Student race car with Norwegian University of Science and Technology
- » **Athens, Greece**
Arrow IT education centers for five group homes for refugee youth
- » **Frankfurt, Germany**
Thirty employees partner with Neu-Isenberg mayor to support local food bank

ASIA

- » **Bangalore, India**
Digital Equalizer IT training program in 13 schools
- » **Kathmandu, Nepal**
Arrow laptops for earthquake-damaged schools
- » **Beijing, China**
Team of 35 in the 24-Hour City Relay Race for charity
- » **Hong Kong, China**
"5 Years Plus Caring Company" award by the Hong Kong Council of Social Service

AFRICA

- » **Moshi, Tanzania**
DigiTruck and online education for Tuleeni Orphanage
- » **Nairobi, Kenya**
DigiTruck for IT education and enterprise development
- » **Uganda**
Three iKnow Concerts for public health awareness



Mission Statement

Arrow Electronics' corporate social responsibility (CSR) program guides today's innovators to a better tomorrow. With our help, our partners will transform their ideas into real and influential achievements that will help people and the communities in which Arrow works.

The Arrow CSR Approach: Technology to Benefit Humanity

Our CSR approach is a business strategy that creates competitive advantages by establishing partnerships around shared values and pursuing innovations that strengthen Arrow's reputation as an industry leader.

The Colorado Ballet choreographed an original dance to Arrow's signature music.

See page 15

CSR Metrics and Scoring Our Progress

Arrow has developed an engagement rating system by which we evaluate CSR partners and projects. The Arrow Balanced Scorecard includes elements from similar evaluation tools used by the Boston College Center for Corporate Citizenship, a leading CSR think tank, and the National Conference on Citizenship, a nonprofit chartered by Congress in 1953 to enhance civic participation.

Arrow CSR Scorecard Ten Categories of Engagement



Applications and Guidelines

How to Apply

Arrow reviews proposals for CSR partnerships and projects once a year. Our deadline for submission is September 15 for the following calendar year.

Proposals should be brief — a short document or a few slides. Links to video and other supporting information are acceptable, but should be limited as well.

Proposals should include commitments to a specific innovation, goals, deliverables, a timeline and progress reports. You also must commit to completing our annual Arrow CSR impact survey.

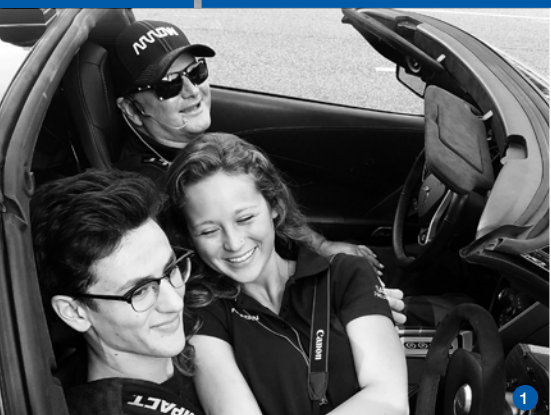
As you develop your proposal, please reflect on our program's mission, innovation, branding, CSR scorecard and giving guidelines in your submission.

Our program is limited to a few new initiatives every year. So, while every proposal is considered, we will select only a small number of transformative ideas that tightly align with our program's criteria.

Send requests to:
Alex West
Global CSR Manager
AWest@arrow.com

Arrow Does Not Support

- > Non-501(c)(3) charities or organizations
- > Political candidates, campaigns or PACs
- > Individuals
- > Sectarian or denominational religious organizations
- > Organizations that limit membership based on race, gender or sexual orientation
- > Fraternal or labor organizations
- > Sporting events or teams
- > Unrestricted gifts
- > Capital campaigns
- > Travel and tours
- > Basic research



1



2



3



- 1 Sam and his children celebrate street driving.
- 2 Racing legend Mario Andretti congratulates Sam following their head-to-head race.
- 3 Sam visited the FDR Memorial in Washington, D.C.
- 4 For the first time since his injury, Sam Schmidt drove his family on vacation – in Washington, D.C.

Arrow SAM Car

Racetrack speeds. Head-to-head competition. Voice commands and razor-sharp controls.

In 2017, the Arrow Semi-Autonomous Motorcar Car (SAM) Project smashed barriers to mobility for the disabled community.

With improved technology and more horsepower, driver Sam Schmidt set a new project top speed of 190 mph driving the 2016 SAM Corvette Z06 at Nellis Air Force Base. The Veterans Day demonstration at the Aviation Nation air show paid tribute to the work of Paralyzed Veterans of America and marked the 70th anniversary of the U.S. Air Force.

At the Indianapolis Motor Speedway, Schmidt returned to competition in a charity race for the nonprofit Conquer Paralysis Now. Dueling racing legend Mario Andretti, Schmidt drove the Z06 for four laps on a 2.4 mile course at 140 mph. Andretti drove the original 2014 SAM Corvette Stingray.

Paralyzed from the shoulders down since a racing accident in 2000, Schmidt thought he would never drive again. Beginning in 2014, Arrow engineers modified the Corvettes with electronics that Schmidt operates using only his head.

Perhaps the SAM Project's most remarkable moment occurred at low speed on congested city streets. For the first time since his injury, Schmidt drove his children on vacation.

Their destination? Washington, D.C., America's symbolic center of freedom, where rights to access and mobility were affirmed, and where millions gather at monuments to America's founding principles.

Their leisurely drive around the nation's capital was a defining moment for the Schmidt family – and for the disabled community.

*“Like every father, it was **my dream to teach my kids how to drive.** Arrow’s effort to help me do something as normal as driving again with my family has **extended my mobility,** and will help people with disabilities be **active members of society.**” – Sam Schmidt*



4

GOAL

In 2018, we will extend SAM driving opportunities to disabled veterans.

Five Years Out with the Arrow SAM Car

2013
July: Conceptual engineering begins.

2014
January: Purchase 2014 Corvette Stingray; SAM modifications begin.

April: Sam Schmidt’s first test drive.
Top speed: 40 mph

May: Demo laps at the Indy 500.
Top speed: 107 mph

November: “Handling” laps at Bosch Proving Grounds, Boxberg, Germany.
Top speed: 30 mph

2015
April: First road course drive at Long Beach Grand Prix. **Top speed: 50 mph**

June: Road course laps at Circuit of the Americas, Austin, TX.
Top speed: 105 mph

July: SAM Car displayed at the Smithsonian Institution, Washington, D.C.

2016
January: Purchase 2016 Corvette Z06; new modifications begin.

May: Demo laps at the Indy 500.
Top speed: 152 mph

June: Pikes Peak International Hill Climb.
Top speed: 80 mph

September: Driver’s license and SAM car registration, Las Vegas, NV.

2017
May: Sam “races” Mario Andretti at the Indy Grand Prix. **Top speed: 142 mph**

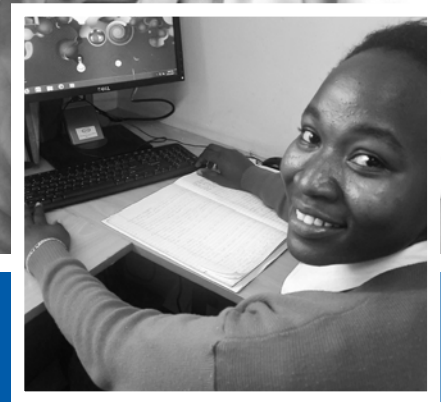
September: Sam drives his family in Washington, D.C. and San Francisco, CA.

November: Demo at USAF Aviation Nation in Las Vegas, NV. **Top speed: 190 mph**



Nairobi schoolgirls enjoy popsicles before resuming their studies in an IT lab with computers refurbished by Arrow.

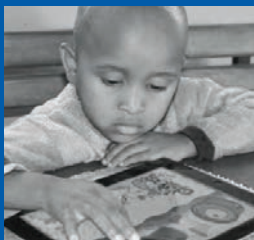
INSET: An IT lab with computers refurbished by Arrow can serve 200 students per day. »



DigiTruck

GOAL:

In 2018, the Nairobi DigiTruck will provide IT and enterprise training for 100 new innovators.



Half the world's population earns less than \$3 U.S. per day. In the poorest nations, fewer than 10 percent of schools have power for lights, computers, Internet and other modern essentials.

To address this "digital divide," Arrow and the nonprofit, Close the Gap, developed the DigiTruck — a mobile, green classroom and enterprise incubator that operates off the grid. It is made from a retired cargo container and equipped with solar panels, batteries, LED lights and refurbished computers.

In 2017, the DigiTruck fleet expanded to six units in Europe and Africa.

In Tanzania, Arrow and Neema International continue to operate a DigiTruck at the Tuleeni Orphanage on the slopes of Mount Kilimanjaro. Arrow also provides online access and educational programming for 200 Tuleeni students and more than 1,000 lessons per week. Arrow employees provided scholarships to support five Tuleeni students for five years.

In Nairobi, Kenya's sprawling slums, Arrow and Close the Gap have launched a new DigiTruck to provide IT and enterprise training for students and adults. Local partners include the nonprofits Waste Electrical and Electronic Equipment (WEEE) Centre, Schools for Kenya and Timeless Women of Wonder.

Arrow and Close the Gap continue to facilitate the donation of refurbished computers, tablets and phones to schools and organizations — now **600,000 total devices shared by more than 1.6 million people worldwide.**

DigiTruck received the PR Daily's 2017 Global CSR Awards for best education program and the 2016 PR 360 Global Award for Corporate Social Responsibility.

STEMosaur

In a commercial venture, Arrow flash-funded CogniToys, the innovators behind the STEMosaur. STEMosaur is a smart, educational toy that engages children in interactive play while building their coding and engineering skills. Children assemble the toy, which comes equipped with an easy-to-use panel that teaches coding basics. Once assembled, the STEMosaur can hold a conversation, tell jokes and play games with its young programmer. In addition to providing critical seed money as part of an Indiegogo crowdsourcing campaign on National S.T.E.M./S.T.E.A.M. Day, Arrow certified the technology for the toy design and provided a reliable supply of components for its production.



ABOVE: STEMosaur is a smart, educational toy that combines play with coding and engineering skills.

Solar Suitcase

More than 200,000 health facilities around the world lack reliable electricity, and more than 300,000 women die annually from complications during pregnancy and childbirth. Our nonprofit partner, We Care Solar, has distributed 2,500 portable power units called the Solar Suitcase to bring renewable electricity to remote health clinics and improve medical care.

Arrow is developing a next-generation Solar Suitcase that is less expensive and more powerful in hopes of doubling the number of units in use. The solar suitcase combines solar panels, batteries, LED lights, a charger and other features in a hard-shell case. It powers a medical clinic overnight.

*“Saving the life of a mother has a multiplier effect. It increases her baby’s chance of **surviving infancy** and eventually attending school, which **benefits the community.**”*

– Laura Satchel, MD, We Care Solar founder

GOAL:

In 2018, Arrow and We Care Solar will test the “next-gen Solar Suitcase” in select villages globally, as well as at natural disaster locations where the power grid has been damaged and medical care is compromised.

At Arrow, we believe the world should not wait for the next Da Vinci or Edison to appear. Innovation is a skill set that can be taught, and innovators have common traits that can be cultivated. Our education programming reflects our commitment to develop a new generation of innovators and guide them to a better tomorrow.

Mouse Sewable Tech Course

Mouse is a U.S.-based nonprofit that encourages youth to create with technologies that make meaningful change in our world. In a unique partnership with Arrow and CBS EcoMedia, Mouse helps middle and high school innovators create fabrics infused with technology. Using fabric, circuit boards, conductive thread and LED lights, students create working circuit boards and learn the fundamentals of electronics. Sewable circuitry (also known as e-textiles) encourages youth to pursue technology studies and careers. The course was piloted in Brooklyn, NY before being rolled out to over 10,000 students across the U.S. this fall.



Students in the Mouse program combine technology with crafting at “Maker Night” in New York City.

Collegiate Inventors

Arrow launched the Arrow Innovation Prize as a feature of the 2017 Collegiate Inventors Competition. Run by the National Inventors Hall of Fame, in partnership with the U.S. Patent and Trademark Office, the annual contest in Washington, D.C. showcases America's brightest young innovators and emerging technologies with significant commercial potential.

Arrow judges selected a student team, advancing them to the final round of judging. SwineTech, the University of Iowa team, won both the Arrow Innovation Prize and the competition's undergraduate grand prize. SwineTech's SmartGuard® invention sends a vibration to a wearable patch on the mother when a piglet is in distress.

Junior Achievement Business Week

Arrow is the presenting sponsor for this unique residential program, this year providing 176 diverse, business-minded high school innovators from 69 Colorado schools with an in-depth opportunity to create business strategies and launch enterprises. Arrow partnered to develop a new curriculum that examines the complex electronics supply chain and encourages business solutions to make the industry more environmentally sustainable.

Formula Student

In Europe, Arrow supported Formula Student, a global automotive engineering competition where student teams design, build and race small-scale Formula-style racers. Arrow Norway is partnering with Revolve NTNU, which represents the Norwegian University of Science and Technology. In Germany, Arrow is part of GreenTeam Uni Stuttgart.

Digital Equalizer – India

India has the world's sixth largest economy, but its schools lag behind most nations. Arrow has launched a three-year partnership with the America India Foundation to provide 13 secondary schools in Bangalore with computers, curriculum and IT training.

FIRST Robotics

Arrow sponsored the FIRST Robotics regional competition at the University of Denver. More than 500 student innovators from 48 high schools in 11 western states and Mexico competed with robots they built in just 10 weeks.



Cardboard Challenge

For the fifth year, Arrow was the presenting sponsor of the Cherry Creek School District's Cardboard Challenge. This Imagination Foundation event recruits over 600 students to showcase their creations. Nearly 30 Arrow employees participated as judges and volunteers in the annual STEM education event, which challenges K-12 students to bring creative ideas to life using cardboard, recycled materials and their imaginations.

Refurbished Computers

Arrow donates refurbished computers to select schools that innovate under extraordinary circumstances. Schools damaged in the 2014 Nepal earthquake received 200 laptops. In Athens, Arrow established IT learning centers in five group homes for 125 refugee youth who lost their families to war and terrorism, and emigrated alone to the West.

GOAL:

In 2018, Arrow looks to launch a series of *Innovation in Education* grants supporting underserved communities.

At Arrow, our people are the momentum behind all that we do. We're a community of designers, engineers, builders and visionaries who navigate the path between possibility and practicality, across the lifecycle of electronics. We recruit and develop innovative employees from diverse backgrounds and cultures, and address workplace issues that commonly affect our industry and communities.



Women in Technology

For the second year, Arrow was the title sponsor of the Colorado Technology Association's Women in Technology Conference. The annual, day-long retreat for 700 executives featured Mike Long, Arrow CEO, and Meg Whitman, former CEO of Hewlett Packard Enterprise.

Arrow also participated in Women in the Workplace 2017, a comprehensive study of the state of women in corporate America. The study gives organizations the information they need to promote women's leadership and foster gender equality.

"It is my firm belief that if we're ever going to have a chance at partnering to solve the world's problems, we're going to need broader diversity than ever before. That means we need more women in technology.

That starts here, and it starts now."

– Mike Long, Arrow CEO

Diversity and Inclusion

Arrow Work(place) Forward is an initiative to create an inclusive workplace with a range of diversity events and activities from onboarding initiatives to forums, lunch and learns and events focused on women in STEM careers.

In addition, Arrow hosted 60 ethnic minority, first-generation college, LGBTQ, veteran and disabled students from five Colorado-area universities at our 4th Annual Diversity Day and again participated in the 43rd Annual National Society of Black Engineers Conference.

GOAL:

In 2018, track enterprise-wide workforce composition metrics and improve the representation of women, racial minorities and the multi-generational workforce blend by 5 percent in the U.S. at the director level and above.

Women's Foundation of Colorado

Arrow helped start the foundation's STEM Coalition in 2015 to improve gender equity in science and technology education. The coalition has produced the *Gender Equity in Colorado's STEM Industries* report, contributed to the Colorado STEM Education Roadmap and invested in STEM learning and career opportunities for girls and women.

Arrow Interns

In 2017, Arrow hired 157 interns in 12 locations across the U.S., representing 59 universities. In addition to their work assignments, interns participate in a summer-long competition to creatively address a company challenge. In 2017, the intern competition focused on sustainability. The interns also volunteered to build 32 wheelchairs for disabled veterans.

Global Arrow Leadership Academy (GALA)

Arrow is committed to developing its leadership pipeline around the globe. Since 2012, 29 percent of Arrow directors and vice presidents have completed the program, and 45 percent of graduates were promoted or received wider duties.



Arrow Finance employees gave Denver's College View Elementary School a makeover.

Arrow Charitable

The Arrow Charitable portal supports our employees and their passion for making the world a better place. Beginning in 2017 in the U.S. and Canada, Arrow Charitable matches the donation of employees' time to nonprofit organizations through our *Dollars for Doers* program. Arrow also matches employee financial contributions in select campaigns.

Worldwide Employee Engagement

- > Arrow Dubai ran the 3rd Annual Emirates NBD Unity Run Marathon to support local charities
- > Arrow Essex (UK) partnered with Mill Race IT to assist training people with special needs
- > Arrow Global Business Operations built 25 bikes for low-income children
- > Arrow and Salesforce prepared 27 tons of food for relief agencies
- > Arrow Finance refreshed a Denver school with new paint, landscaping and 75 refurbished tablets

GOAL:

In 2018, expand access to the Arrow Charitable portal and create volunteering task forces internationally.

Arrow Charitable U.S. & Canada



18%

Employees supporting
185 charities



\$45,000

Total donations



570

Volunteer events



5,111

Volunteer hours

Arrow believes the creative process in the arts and innovation in technology spring from the same source and should be nurtured together. Every year, we engage in cultural initiatives because art and technology can address social concerns in new ways, while inspiring people to be more creative and productive in their own lives.



WINNER: Peter Clouse, Ferndale, MI
Not Ashamed, Mixed Medium

“I see potential and beauty in materials that others have discarded. I am passionate about consumption and how it leads to the disposal of goods. It is now my responsibility to put these materials back into production.”

— **Peter Clouse**, 2017 Five Years Out Art Challenge Winner

Arrow Five Years Out Art Challenge

For the fifth year, Arrow and the Cherry Creek Arts Festival collaborated to present the Arrow Five Years Out Art Challenge. This juried international art contest inspires artists from around the world to explore the notion of innovation and express what Five Years Out looks like through their medium.

In 2017, 126 artists from 11 countries submitted their concepts for consideration by a panel of art professionals and Arrow executives. Seven works were chosen as finalists for display before joining Arrow's permanent art collection.

Peter Clouse of Ferndale, MI was selected as the 2017 grand prize winner for his mixed media entry *Not Ashamed*. Clouse received \$10,000 and a jury-exempt invitation to exhibit at the 2018 Cherry Creek Arts Festival.

In addition to a feminist theme, his work especially reflects the innovative view of what can be reborn from discarded materials, including electronic waste. Addressing the world's escalating e-waste burden is one of Arrow's priorities, so his message and materials specifically resonated with the judges.



Edrex Fontanilla, Cranston, RI
The Ethical Viewer: Perceptual Fog, Interactive Sculpture



Sharon Brush, Santa Fe, NM
Safe Passage, Ceramic Sculpture



In 2017, Arrow expanded its festival programming with an extravagant, comic sci-fi production by Handsome Little Devils, including a retro rocketship, quirky kinetic sculptures, and jaw-dropping costumes. This year they were joined in the street performance by Big Nazo, the larger-than-life, mutant puppet troupe.

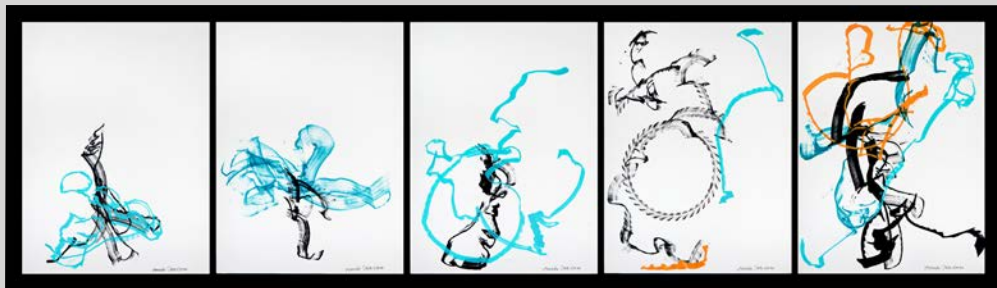
The three-day festival attracted 328,000 visitors. Arrow was honored for its continuing patronage with a commissioned collage, *Summer in Denver*, Modified by digital artist Darryl Thetford of Chattanooga, TN.



Dan Stiles, Portland, OR
Reaching Forward, Reaching Back,
Digital Art



Aaron Hequembourg, Monticello, GA
Always A Driver, Engraved Assemblage
on Wood and Aluminum



Amenda Tate Corso, Des Moines, IA
Manibus, Mixed Medium on Paper and Wood



Amy Leigh Carstensen, Tampa, FL
Zen and the Art of Technology,
Mixed Medium



iKnow Concerts

Uganda is a snapshot of Africa’s vast potential – and challenge. Nine of 10 people are literate and half of the country uses mobile phones. But HIV infection is pervasive – 7.2 percent of the population tests positive. Conventional prevention programs lag, and millions who need help are discouraged by access to care, cultural attitudes and national policy.

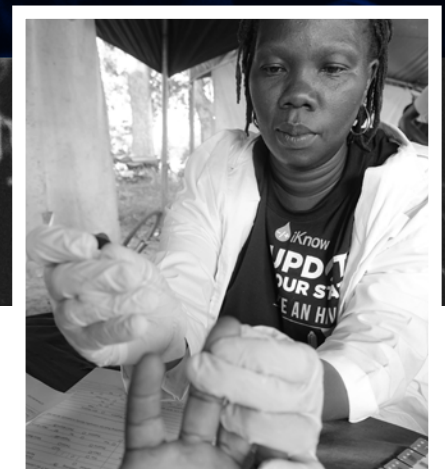
The nonprofit Global Livingston Institute, with Arrow’s help, has launched an innovative public health campaign to increase

awareness and extend testing and treatment. The annual iKnow Concert Series attracts large crowds with entertainment by popular Ugandan and U.S. musicians, but also provides extensive health education, testing and support.

In 2017, 44,000 people attended three concerts; 8,089 people received a free HIV test and counseling. Medical workers distributed 230,000 condoms and collected more than 300 units of blood.

African and U.S. musicians performed at the iKnow Concerts in Uganda.

INSET: The iKnow concerts included free HIV testing. »



Colorado Ballet

In 2017, Arrow and the Colorado Ballet launched a partnership exploring how innovation can be expressed in human motion. The Ballet choreographed an original dance to Arrow’s signature music – an overture composed and originally performed by the Colorado Symphony. In 2018, Arrow will support the Ballet’s new Black Box Theater, a space for new creation.

Colorado Symphony

Arrow again was the presenting sponsor for the Colorado Symphony, one of the leading regional orchestras in the U.S. The Symphony continues to innovate in its *Very Young Composers* program, in which inner city students in grades 3-5 learn to compose music without prior musical training.

GOAL:

In 2018, Arrow and Baycat, a San Francisco nonprofit, are developing a Five Years Out Video Challenge for young filmmakers.

Five Paralympians, known as the Arrow Quintum, demonstrated elite outdoor sports skills and mentored five girls.



Arrow shares resources and expertise with a variety of organizations to guide innovation and foster opportunity locally where we live and work. Combined, we engage and help more than 8.3 million people annually.

The Arrow Quintum

The Arrow Quintum is a demonstration team of five Paralympians with a common purpose — pushing their limits to inspire the next generation. These medal-winning athletes compete with disabling conditions ranging from missing limbs to blindness and paralysis. In this initiative, they tackled a series of outdoor sports in the backcountry of Colorado, including mountain biking, climbing, rappelling, horseback riding and whitewater kayaking.

We paired the Quintum with five girls, ages 11-16, enrolled with the Denver-based National Sports Center for the Disabled (NSCD), one of the largest outdoor therapeutic recreation and adaptive sports programs in the world. Under NSCD's direction, the Arrow Quintum and their young mentees tackled each physical challenge, supporting one another every step of the way. A story of inspiration leading to innovation as we all look forward to what is next.

"I look at what I'm doing now, and I say to myself, 'I want to be able to return that favor and make sure the generation after me has the same chance I did.' Five years from now, I can't wait to see how these young girls are living their lives to the fullest."

— **Stephanie Jallen, Quintum member and 2014 Paralympics medalist**



Denver Zoo

The Denver Zoo is Colorado's most popular cultural institution, serving more than 2 million visitors annually. Arrow sponsors programming at the Zoo as well as more than 100 recycling stations on the 80-acre grounds.

Habitat for Humanity

Arrow partners with Habitat for Humanity of Metro Denver on volunteer homebuilding projects in the Denver area. In 2017, we selected suppliers and the nonprofit began planning an innovative new 'smart home' design that provides Habitat families with technology architecture for 21st century work, school and entertainment. Aspects of the new smart home design will include improved and affordable connectivity, security and energy efficiency.

Arrow Community Partners

- | | |
|--|---|
| All for One – One for All Foundation | Girl Scouts of America |
| American Red Cross | Global Livingston Institute |
| Anschutz University of Colorado Women's Health Research* | Habitat for Humanity |
| Boys Scouts of America | The Home Project |
| Baycat | Helen and Arthur E. Johnson Depression Center |
| Biennial of the Americas | Junior Achievement* |
| Center for Work Education and Employment (CWEE) | Metro Volunteers |
| Centennial Rotary | Mile High United Way |
| Center of Hope (Haiti)* | National Inventors Hall of Fame |
| Cherry Arts* | National Sports Center for the Disabled* |
| Cherry Creek Schools Foundation | Neema International |
| Close the Gap | Nepali Youth Foundation |
| Colorado Ballet | No Barriers |
| Colorado Business Committee for the Arts | Paralyzed Veterans of America |
| Colorado State University* | Project Pave* |
| Colorado Symphony* | Rider Relief Fund |
| Colorado Technology Association* | Rose Andom Center* |
| Conquer Paralysis Now | STEMIE Coalition |
| Denver Academy | United Nations Global Compact |
| Denver Metro Chamber Leadership Foundation | Urban Peak |
| Denver Metro Chamber of Commerce* | Volunteers of America |
| Denver Scholarship Foundation* | We Care Solar |
| Denver Zoo* | Women's Corporate Director Foundation |
| Drivers Skills Institute | Women's Foundation of Colorado |
| FIRST Robotics | Wonderbound* |

**Indicates executive board service*



Arrow's approach to environmental sustainability focuses on the operation of our business. We strive for efficiency in offices, facilities and distribution centers. We distinguish ourselves by providing specialized services and expertise across the product life cycle. As we sit in the middle of the supply chain, we seek to provide our suppliers and customers with solutions designed to be inherently more sustainable.

As a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions, we seek to ensure that our products comply with all applicable laws, regulations and approval standards to protect the environment. We strive to handle products in our distribution network and provide value-added services in a responsible way. This means the use of environmentally friendly technologies, avoidance of emissions and waste and the use of energy-saving solutions.

Operational Measures

Arrow is committed to reducing its environmental footprint. We are operating our locations in an increasingly sustainable

manner, including reducing energy and water use, choosing virtual meetings more often than travel, offering refurbished electronics

for sale and providing employees with options for mobility, remote work, recycling and electric vehicle charging.

E-waste is the world's fastest growing waste stream.



Arrow's Dry Creek building on the global headquarter campus, located directly across from the new Panorama complex.



Highlight on Global Headquarters

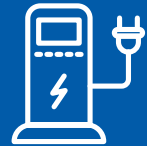
Arrow is installing LED lighting in all new company construction. This decision is expected to reduce overall energy consumption by 10 percent.

In 2017, Arrow opened the 446,000 square foot Panorama complex as part of Arrow's headquarters campus in Centennial, CO. During construction, we worked with our local utility on energy conservation measures to reduce consumption by 1,677,337 kWh, or 41.2 percent annually.

Today, 29 percent of Arrow's headquarters campus is powered by a renewable energy. We look to increase this percentage in the future.

HQ ENERGY GOAL:

In 2018, achieve Panorama building and headquarters complex annual energy goal of less than 3 million kWh, as Arrow moves towards tracking baseline energy use.



Environmental Impact of Electric Vehicle Charging Stations in 2017

Charging Stations:
15

Total fuel displaced:
3,542 gallons
(+1,482 gallons over 2016)

Total CO₂ offset:
68,724 lbs.
(+28,754 lbs. over 2016)



Students in Tanzania learn IT skills on computers refurbished by Arrow, reducing the global e-waste stream.

INSET: The world's e-waste burden is increasing 5 percent annually. »



Refurbishing the Future: 600,000 Donated Computers

Arrow and nonprofit partner Close the Gap celebrated an important milestone: Since 2003, we have refurbished 600,000 electronic assets that customers designate for humanitarian donation, including computers, storage, servers and mobile devices.

By finding new life for these renewed assets, Arrow and Close the Gap have diverted nearly 600 tons of used electronics from landfills in 2017.

Arrow Sustainable Technology Solutions refurbishes the assets, including rigorous data-erasure and the replacement of worn and outdated parts, including processors, screens and keyboards.

Close the Gap distributes the renewed devices to schools, clinics and enterprise incubators in developing nations. More than 1.6 million people on four continents now have used the donated equipment for computer training, online learning and microenterprise management.

Achievement by the Numbers

7 million

Number of used devices processed by Arrow in 2017.

2.74 million

Number of devices that found new and extended life through Arrow.

49,156 tons

Amount of used electronics kept out of landfills by Arrow efforts.

Zero

Achieved zero IT waste to landfill in Europe and North America, with 100 percent re-use, recycling or recovery of IT assets in those locations.

Arrow Sustainable Technology Solutions

Electronic waste is the fastest growing waste stream. Most electronics contain hazardous materials, and their mishandling has resulted in some of the most toxic spots on the planet.

In 2017, Arrow re-launched its former Global Reverse Logistics business, Arrow Value Recovery, as Sustainable Technology Solutions to provide customers with complete lifecycle services for electronics in a seamless, sensor-to-sunset experience.

Arrow now provides a portfolio of services to address electronics sustainability, including sustainable device design, IT asset disposition, data center decommissioning, managed deployment, reverse supply chain logistics, equipment refurbishment and enterprise device lifecycle management.

Arrow takes a “reuse first” approach, which gives the best return on the energy and materials embedded in the assets we process. That reuse could take the form of assets being redeployed back into an organization, sold or donated. If the device cannot be reused, its usable parts are harvested.

In addition, Arrow does not export non-functioning equipment, and we process all of the assets we receive with rigorous attention to worker safety and environmental stewardship. Arrow has six Sustainable Technology Solutions locations in the United States, nine locations in Europe and a location in Singapore.



A worker in Nairobi's e-waste market prepares a used device for resale.



E-Waste is the world's fastest growing waste stream.



E-Waste winds up illegally in Africa, where scrap dealers burn it to obtain precious metals.



Approximately 42 million toxic tons of e-waste is generated each year, growing 5 percent annually.

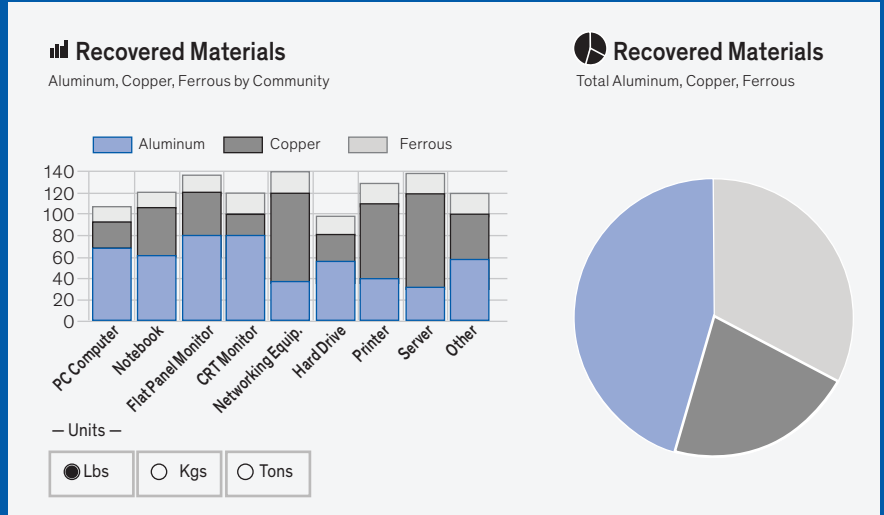
Environmental Scorecard for Customers

Arrow Sustainable Technology Solutions launched a customer portal for North American operations this year designed to showcase environmental impacts and savings gleaned by working with Arrow. Within the portal, the environmental scorecard measures the diversion rates from the most common electronic assets processed. Customers can understand their impact, calculate savings and grow their IT asset disposition programs — a powerful tool in the fight against e-waste.

Arrow customers have the ability to track:

- **Diversion Rates** or how much material was kept out of landfill — recycled or refurbished.
- **Greenhouse Gas Emissions Savings** (CO₂eq) associated with refurbishing and recycling IT assets at the end of their useful lives instead of landfilling them.
- **Hazardous Wastes Avoided** by processing assets through Arrow.
- The amount of **Materials Recovered through recycling processes** that can go into new products.

This information is used to inform materials management programs, product development, supply chain risk management, corporate responsibility, environmental sustainability and reporting and compliance efforts worldwide.



Diverting Waste Globally



Diversion Rate

6,284,366 electronic devices processed



Greenhouse Gas Emissions Savings

375,761 tons of CO₂eq (US only)



Hazardous Waste Avoided

9,507 tons



Materials Recovered

6,535 tons

GOAL:

In 2018, Arrow Sustainable Technology Solutions will expand the Environmental Scorecard tool to our global customers.



With our emphasis on sustainability and responsible business practices, our intent is to advance innovation within our sphere of influence. As part of our commitment, Arrow voluntarily reports to several organizations that encourage transparency and public accountability in business operations and CSR.

United Nations Global Compact

Arrow supports the 10 principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption.

An active and accountable signatory since 2011, Arrow's intent is to transparently advance those principles within our sphere of influence. Each year we submit a Communication on Progress report demonstrating how our strategies and operations align with this important initiative.



Human Rights

Arrow is committed to upholding the dignity of all people. We respect all international human rights standards throughout our global operations in the more than 90 nations in which we do business. Human rights practices are embedded within the company's various policies, including the Worldwide Code of Business Conduct and Ethics (the "Code"). Our employees are required to review and certify their understanding and compliance on an annual basis. The Code covers all regions and business units. It is also posted on the company's external website, arrow.com/en/about-arrow/overview.



Human Rights Campaign

As the largest national LGBTQ civil rights organization, HRC envisions a world where LGBTQ people are ensured of their basic equal rights, and can be open, honest and safe at home, at work and in the community. Arrow received an 80 percent score for 2017 and now is ranked in the HRC "Green" rating zone. Our goal is a 100 percent rating.

Slavery and Human Trafficking Statement

Arrow complies with all applicable laws and regulations, including the Modern Slavery Act of 2015. Arrow maintains effective business controls as well as a robust compliance program designed to detect and prevent slavery, human trafficking, forced or compulsory labor or any form of servitude in our supply chain or in any part of our business. Anti-slavery practices are embedded within the company's various policies. Our employees are provided with resources and training annually to help them meet Arrow's ethical and legal obligations. Our slavery and human trafficking statement is available at arrow.com/en/about-arrow/overview.

Conflict Minerals

Electronic components and other Arrow products contain various minerals, including tin, tantalum, tungsten and gold ("3TG"). "Conflict minerals" are 3TGs sourced from the Democratic Republic of Congo and the surrounding countries. As a downstream purchaser, Arrow is committed to avoiding the use of conflict minerals in the manufacturing of products. Arrow does not directly purchase any conflict minerals from any source and does not knowingly procure any product containing conflict minerals. Arrow's Conflict Minerals Statement is available on our website, and annually, we file a Conflict Minerals Report with the U.S. Securities and Exchange Commission. Our conflict minerals policy and report are available at arrow.com/en/about-arrow/overview.





Arrow in the Supply Chain

Arrow brings technology solutions to a breadth of markets, including telecommunications, information systems, transportation, medical, industrial and consumer electronics. Arrow serves as a supply channel partner for over 125,000 original equipment manufacturers and commercial customers.

Arrow received an honorable mention in the Gartner Supply Chain High Tech Top 10 rankings.

Arrow's business partners are provided with Arrow's Business Partner Code of Conduct and must conduct business with and on behalf of Arrow in accordance with its provisions. Arrow requires all business partners to review and agree to comply with it.

Arrow's corporate responsibility and sustainable procurement practices are audited annually. The two primary, independent auditors are EcoVadis and Gartner.

EcoVadis is a global benchmarking service that rates CSR performance over 21 criteria in four categories: environment, labor practices, fair business practices and sustainable procurement. Arrow maintains a rating status at the Silver level on the EcoVadis scorecard, ranking in the top 18 percent of our category.

Arrow received an honorable mention in the Gartner Supply Chain High Tech Top 10 rankings, a prominent assessment of global technology supply chain leaders. Gartner documents and ranks the best practices of companies across sectors, and specifically high tech distributors and electronics manufacturing service providers.

Certifications

Twenty-nine of our warehouses and other locations are certified as ISO 14001 compliant. The ISO 14000 environmental management standards exist to help organizations:

- > Minimize how their operations (processes, etc.) negatively affect the environment (i.e., cause adverse changes to air, water or land).
- > Comply with applicable laws, regulations and other environmentally oriented requirements.
- > Continually improve on the above.

Eighteen of our warehouses and other locations are certified as OHSAS 18001 compliant. OHSAS 18001 is an international occupational health and safety management system specification.

Fourteen of our warehouses and other locations are certified as R2 compliant for responsible recycling. The R2 standard is a voluntary, market-based mechanism for ensuring best practices, which also provides essential information/assurance to prospective customers. The standard builds on an ISO-style, Plan-Do-Check-Act

management system as a platform, and integrates environmental, health and safety management, media sanitization, export and disposal restrictions, chain-of-custody accountability and transportation controls.

Twenty-nine of our warehouses and other locations are certified as ISO 14001 compliant.

Four of our warehouses and other locations are certified as Recycling Industry Operating Standard (RIOS) compliant. RIOS provides a framework for a comprehensive, integrated management system that includes key operational and continual improvement elements for quality, environmental health and safety (QEH&S) performance for the recycling industry. We measure and track compliance with numerous quality and regulatory standards at our 46 warehouse and processing locations.

Hazardous Substances

Arrow is committed to working to eliminate hazardous substances in our business operations, and recognizes the importance of providing hazardous substance information to our customers.

All primary distribution centers have in-house recycling programs in place to minimize landfill impact.

To address these issues, Arrow has approached its suppliers to request that they provide us with a method of identifying the RoHS status of products, China RoHS labeling information, REACH and other relevant hazardous substance information.

- > All primary distribution centers have in-house recycling programs in place to minimize landfill impact. Consideration of recycled content is given when purchasing commodities to be used within these facilities. Additionally, new equipment is assessed for energy efficiency.
- > Arrow has developed a range of solutions that are intended to support compliance efforts. In all cases, our suppliers are the original source of hazardous substance information.

In 2017, the Arrow SAM car drove in San Francisco and other U.S. cities to demonstrate how technology can enhance mobility and freedom.



ARROW
Five Years Out

Are You Five Years Out?

Most people live in the present. The world of now. But a handful of us work in a unique world that doesn't quite exist yet — the world of Five Years Out.

Five Years Out is the tangible future. And the people who live and work there know that new technologies, new materials, new ideas and new electronics will make life not only different, but better. Not just cheaper, but smarter. Not just easier, but more inspired.

Five Years Out is an exciting place to be. So exciting that, once you've been there, it's hard to get excited about the present. Because we know what's coming is going to be so much better.

Five Years Out is a community of builders, designers, engineers and imaginers who navigate the path between possibility and practicality. Creating the future of everything from cars to coffeemakers.

Are you one of them? Then you're probably working with us.



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